

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

UNITED STATES OF AMERICA,) No. 02-00114-01/04-CR-W-5
)
Plaintiff,) COUNT ONE: (ALL DEFENDANTS)
) 18 U.S.C. § 371
v.) NMT 5 Years Imprisonment
) NMT \$250,000 Fine or Twice
JAMES R. NICHOLS,) the Financial Gain
[DOB: 10/26/75]) NMT 3 Years Supervised Release
) Class D Felony
ROBERT GOMEZ,)
[DOB: 02/07/75]) COUNTS TWO THROUGH FOURTEEN:
) (ALL DEFENDANTS)
GWENDOLYN BAKER,) 18 U.S.C. § 2314
[DOB: 08/21/50],) NMT 10 Years Imprisonment
) NMT \$250,000 Fine or Twice
and) the Financial Gain
) NMT 3 Years Supervised Release
) Class C Felony
CORINNE CONWAY,)
[DOB: 07/03/40]) COUNT FIFTEEN: (NICHOLS, GOMEZ,
Defendants.) BAKER)
) 18 U.S.C. § 1956(h)
) NMT 20 Years Imprisonment
) NMT \$500,000 Fine or Twice the
) Value of the Property Involved
) Class C Felony
)
) COUNTS SIXTEEN THROUGH TWENTY-ONE:
) NICHOLS AND BAKER: COUNTS SIXTEEN
) THROUGH TWENTY-ONE; GOMEZ: COUNTS
) SIXTEEN, SEVENTEEN, EIGHTEEN, AND
) TWENTY-ONE
) 18 U.S.C. § 1956(a)(1)(B)(i)
) NMT 20 Years Imprisonment
) NMT \$500,000 Fine or Twice the
) Value of the Property Involved
) Class C Felony
)
) \$100 Mandatory Special Assessment
) (Each Count)
)
) COUNTS TWENTY-TWO (ALL DEFENDANTS)
) AND TWENTY-THREE (NICHOLS, GOMEZ,
) BAKER) Forfeiture
) 18 U.S.C. § 981(a)(1)(C) and
) 28 U.S.C. § 2461 (COUNT 22) and
) 18 U.S.C. § 982(a)(1) (COUNT 23)

S U P E R S E D I N G I N D I C T M E N T

THE GRAND JURY CHARGES THAT:

COUNT ONE

1. At all times material to this Indictment:

a. Defendant JAMES R. NICHOLS, a resident of Carson, California, falsely represented himself to be the executor of an estate in New York of an individual named John Bowers, falsely represented to be a multi-million dollar estate with a significant number of automobiles and other motor vehicles for sale at bargain prices, most commonly to individuals of religious faith. Defendant NICHOLS maintained personal bank accounts in California to receive funds from purchasers who believed they were purchasing automobiles and other motor vehicles from the estate.

b. Defendant ROBERT GOMEZ, a resident of Long Beach, California, and a professional gambler, falsely represented himself to be the heir to the estate of John Bowers as the adopted son of John Bowers. Defendant GOMEZ received funds from Defendant NICHOLS, obtained from purchasers of automobiles and other motor vehicles, and converted these funds to casino gaming chips at gambling casinos and clubs in California.

c. Defendant GWENDOLYN BAKER, a resident of Bartlett, Tennessee, was an associate of Defendants NICHOLS and GOMEZ, whom she often referred to as her godsons, falsely represented to individuals that there were automobiles and other motor vehicles for sale by the Bowers estate. Defendant BAKER contacted

individuals who wanted to purchase automobiles and other motor vehicles primarily through her contacts in churches and other religious groups throughout the United States. Defendant BAKER received some of the funds from purchasers through an individual bank account in her own name, some of the funds through a business account in the name, "Auto Emporium," and some of the funds through two joint personal accounts with Defendant NICHOLS in Lakewood, California.

d. Defendant CORINNE CONWAY, a resident of Higginsville, Missouri, operated an organization named The Virtuous Women International Ministry, which had contacts with churches and religious groups throughout the United States. Defendant CONWAY introduced Defendant BAKER to individuals in these churches and religious groups to promote the selling of automobiles and other motor vehicles from the Bowers estate. Defendant CONWAY received funds from numerous purchasers and forwarded the purchase money to Defendant BAKER, and Defendant CONWAY also received substantial amounts of commissions from purchasers for her own use and benefit.

e. The automobiles and other motor vehicles which were offered for sale were sometimes referred to as "miracle cars," referring to the representation that the automobiles and other motor vehicles were offered at bargain prices to reward people for their religious faith, or sometimes simply as "estate cars," referring to the estate of John Bowers, which was generally represented to be an estate worth several hundred million dollars

in the State of New York which was offering the automobiles or other motor vehicles for sale.

f. There was no estate of John Bowers in New York or any other state offering automobiles or other motor vehicles for sale, and there were actually no automobiles or other motor vehicles for sale through this estate.

2. Between on or about October 1, 1998, until the date of return of this Indictment, at Kansas City, in the Western District of Missouri, and elsewhere, Defendants JAMES R. NICHOLS, ROBERT GOMEZ, GWENDOLYN BAKER, and CORINNE CONWAY and others known and unknown to the Grand Jury, did knowingly and willfully combine, conspire, confederate and agree to commit offenses against the United States, through a scheme to defraud numerous individuals who provided funds to the defendants for the purchase of automobiles or other motor vehicles, that is: to knowingly transport, transmit and transfer, and cause to be transported, transmitted and transferred, in interstate commerce, money in the amount of \$5,000 or more, that is, checks and wire transfers from individuals for the purchase of automobiles or other vehicles from the estate of John Bowers, defendants knowing that the money represented by those checks and wire transfers had been stolen, converted, and taken by fraud, in violation of Title 18, United States Code, Section 2314.

3. It was a part of the conspiracy and scheme to defraud that Defendants JAMES R. NICHOLS, ROBERT GOMEZ, GWENDOLYN BAKER, and CORINNE CONWAY knowingly made and caused to be made numerous

material false and fraudulent representations and promises to individuals, Defendants NICHOLS, GOMEZ, BAKER, and CONWAY knowing that the representations and promises were materially false and fraudulent when made, including the following:

a. There was an estate of an individual named John Bowers with several hundred million dollars in assets, including numerous automobiles and other motor vehicles.

b. John Bowers was the owner of the engineering division of Mission Foods of Irvine, Texas, and had accumulated substantial amounts of personal wealth through Mission Foods.

c. Defendant GOMEZ was the adopted son of John Bowers and the sole heir to the estate.

d. Defendant NICHOLS was the executor of the John Bowers estate and responsible for selling the automobiles and other motor vehicles.

e. Through his estate, John Bowers wanted to reward individuals of religious faith by selling automobiles and other motor vehicles at bargain prices.

f. Lists distributed to individuals, churches, and other organizations, primarily through Defendant BAKER, represented that actual automobiles and other motor vehicles were available for purchase at the prices stated on the lists.

g. Individuals could not get information on the estate of John Bowers because of a "gag order" entered by the probate judge overseeing the estate of John Bowers.

h. Defendants BAKER and NICHOLS personally represented to purchasers that they had seen the automobiles and other motor vehicles belonging to the estate.

i. Falsified documentation provided to purchasers from an automobile dealership in southern California represented that the dealership was servicing the automobiles and other motor vehicles belonging to the estate.

j. Other falsified documentation provided to purchasers from a towing and storage facility in southern California represented that the facility was storing the automobiles and other motor vehicles belonging to the estate.

k. The estate was offering the automobiles and other motor vehicles for sale at bargain prices for tax benefits to the estate.

l. The money from purchasers would be used to purchase the automobiles and other motor vehicles.

m. The money from purchasers would be sent to accounts of the John Bowers estate to be held in escrow until the automobiles or other motor vehicles could be delivered to the purchasers.

n. The automobiles and other motor vehicles offered for sale would be delivered by certain specific dates, which kept getting extended.

o. Delays in the administration of the estate caused the delay in delivery of the automobiles and other motor vehicles to purchasers.

4. It was a further part of the conspiracy and scheme to defraud that Defendants BAKER, NICHOLS, GOMEZ, and CONWAY each knew that the one or more of the foregoing material false and fraudulent representations and promises were being made to purchasers of automobiles and other vehicles by various individuals to induce the purchasers to provide money to the Defendants for automobiles and other motor vehicles which did not exist.

5. It was a further part of the conspiracy and scheme to defraud that Defendant BAKER was primarily responsible for obtaining individuals in various states to help her make contacts in churches and other organizations to solicit purchasers of automobiles and other motor vehicles. Some of these contacts, who were sometimes referred to as "finders", charged purchasers commissions for arranging the sales in addition to the purchase prices of the automobiles and other motor vehicles. There were finders throughout the United States, including the State of Missouri.

6. It was a further part of the conspiracy and scheme to defraud that Defendant CONWAY promoted the sale of automobiles and other motor vehicles from the Bowers estate by personal representations to individuals in churches and other religious groups, by promoting Defendant BAKER to these individuals, and by receiving funds from other "finders" throughout the United States.

7. It was a further part of the conspiracy and scheme to defraud that Defendant NICHOLS, falsely representing himself to be the executor of the estate of John Bowers, would meet with purchasers from time to time and assure them that the automobiles and other motor vehicles would be delivered to the purchasers at some date in the future.

8. It was a further part of the conspiracy and scheme to defraud, that money from purchasers would commonly be transferred from finders in various states, including Defendant CONWAY in the Western District of Missouri, to Defendant BAKER in Memphis, Tennessee, and that Defendant BAKER would then transfer the money from purchasers to accounts in California controlled by Defendants NICHOLS and BAKER.

9. It was a further part of the conspiracy and scheme to defraud, that money from purchasers was also sent directly to accounts in California controlled by Defendants NICHOLS and BAKER without going through the Tennessee accounts.

10. It was a further part of the conspiracy and scheme to defraud, that Defendant NICHOLS would transfer funds from the California accounts to various gambling clubs and casinos in Southern California, where Defendant GOMEZ would convert the funds into gambling chips, or where Defendants GOMEZ or NICHOLS would make deposits to their players accounts.

11. It was a further part of the conspiracy and scheme to defraud, that Defendants BAKER, NICHOLS, GOMEZ, and CONWAY would convert the money from purchasers to their own use and the use of

others, including but not limited to the following:

a. Defendant BAKER provided herself with a salary of approximately \$20,000 to \$30,000 per month for her role in handling the money from purchasers.

b. Defendant GOMEZ converted substantial amounts of the money from purchasers to his own use at various gambling casinos in the Los Angeles, California area. After Defendant NICHOLS received funds from purchasers at various California bank accounts, Defendant NICHOLS transferred over \$6,800,000 between October 1999 and February 2002, to Defendant GOMEZ, who received these funds through various gambling casinos in Southern California and converted the funds into gambling chips to make further tracing of the proceeds of the scheme more difficult.

c. Defendant NICHOLS converted substantial amounts of funds from purchasers by checks payable to cash or to one of the banks receiving funds from purchasers for his own use and benefit, converting over \$1,300,000 between September 1999 and February 2001. Defendant NICHOLS also purchased numerous automobiles and motorcycles for his own use and benefit, using funds from purchasers who believed they were purchasing automobiles from the John Bowers estate. The total purchase prices of the automobiles and motorcycles, which were purchased between September 1999 and June 2000, was over \$250,000. Defendant NICHOLS also used substantial amounts of funds to make deposits to his players account at gambling clubs or casinos.

d. Defendant CONWAY accounted for approximately \$6,000,000 in receipts from purchasers, both from residents in the Western District of Missouri and in other parts of the United States. In addition to the purchase money, Defendant CONWAY received approximately \$1,171,000 in commissions and fees from purchasers, and paid approximately \$213,000 in refunds from these funds, resulting in approximately \$958,000 in net fees and commissions to Defendant CONWAY.

12. It was a further part of the conspiracy and scheme to defraud, that when certain purchasers requested refunds of money which they had provided for the purchase of automobiles or other motor vehicles, Defendants BAKER, NICHOLS, GOMEZ, and CONWAY would obtain money from additional purchasers to generate the funds needed to make the refunds.

13. It was a further part of the conspiracy and scheme to defraud, that Defendants BAKER, NICHOLS, GOMEZ, and CONWAY:

(a) obtained and caused to be obtained approximately \$19,450,000 from individuals throughout the United States for the purchase of over 7,000 automobiles and other motor vehicles; of this amount approximately \$1,300,000 was from purchasers in the State of Missouri, who believed they were purchasing approximately 600 automobiles and other motor vehicles;

(b) made and caused to be made approximately \$7,080,000 in refunds to various individuals who had requested

such refunds for failure to obtain delivery of the automobiles and other motor vehicles on a timely basis as promised by the Defendants; and

(c) obtained net proceeds of approximately \$12,370,000 for the purchase of automobiles and other motor vehicles.

14. It was a further part of the conspiracy and scheme to defraud, that Defendants BAKER, NICHOLS, and GOMEZ conducted and caused to be conducted various types of financial transactions to disguise where the purchasers' funds were being sent, including transferring funds through various accounts and into gambling clubs and casinos to purchase gambling chips and make payments on players accounts.

15. It was a further part of the conspiracy and scheme to defraud that Defendants BAKER, NICHOLS, GOMEZ, and CONWAY concealed and attempted to conceal and hide the nature and objects of the conspiracy and scheme to defraud, including but not limited to, making continued false and fraudulent explanations and reassurances to purchasers of automobiles and other motor vehicles concerning reasons for delays in delivery dates.

16. It was a further part of the conspiracy and scheme to defraud that Defendants BAKER, NICHOLS, GOMEZ, and CONWAY concealed and attempted to conceal their receipt and use of funds from purchasers of automobiles and other motor vehicles by failing to report funds which they received and used to the Internal Revenue Service.

17. In furtherance of the conspiracy and to effect the objects thereof, in the Western District of Missouri and elsewhere, Defendants BAKER, NICHOLS, GOMEZ, and CONWAY did knowingly commit and cause to be committed the following overt acts, among others:

OVERT ACTS

____1. The Grand Jury realleges and incorporates by reference the allegations in Counts Two through Fourteen and Sixteen through Twenty-One of this Indictment as overt acts in furtherance of the conspiracy.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH FOURTEEN

1. The Grand Jury realleges and incorporates by reference the allegations in paragraphs one through fifteen of Count One of this Indictment.

2. On or about the dates listed below, in the Western District of Missouri, and elsewhere, defendants JAMES R. NICHOLS, ROBERT GOMEZ, GWENDOLYN BAKER, and CORINNE CONWAY did knowingly transport, transmit and transfer, and cause to be transported, transmitted and transferred, in interstate commerce, between the Western District of Missouri, and either the State of Tennessee or the State of California as set forth below, money represented by the checks from purchasers of automobiles or other motor vehicles described below in the amount of \$5,000 or more, defendants knowing that the money had been stolen, converted and

taken by fraud, each check or group of checks constituting a separate count of this Indictment:

COUNT	DATE	DESCRIPTION OF CHECK, INCLUDING STATE TO WHICH CHECK WAS TRANSPORTED FROM THE WESTERN DISTRICT OF MISSOURI
Two	12/27/1999	Cashiers Check no. 754291 dated 12/23/1999 issued by UMB Bank, Kansas City, Missouri [remitters R.S. and J.S.], in the amount of \$70,250, payable to Gwen Baker, deposited to the account of Gwendolyn Baker at First Tennessee Bank, Memphis, TN
Three	01/18/2000	Cashiers Check no. 754151 dated 01/06/2000 issued by UMB Bank, Kansas City, Missouri in the amount of \$70,000.00, [remitters R.S. and J.S.], payable to Gwen Baker, deposited to the account of Gwendolyn Baker at First Tennessee Bank, Memphis, TN
Four	03/16/2000	Cashiers Check no. 754359 dated 03/06/2000 issued by UMB Bank, Kansas City, Missouri in the amount of \$19,000, [remitters R.S. and J.S.], payable to Gwen Baker, deposited to the account of James R. Nichols or Gwendolyn Baker at First Bank & Trust, Lakewood, CA
Five	03/27/2000	Cashiers Check no. 187071 dated 03/14/2000 issued by Country Club Bank, Kansas City, Missouri, [remitters N.S. and S.S.], in the amount of \$45,000 payable to Gwen Baker deposited to account of James R. Nichols or Gwendolyn Baker, at First State Bank & Trust, Lakewood, CA
Six	03/27/2000	Cashiers Check no. 187103 dated 03/17/2000 issued by Country Club Bank, Kansas City, Missouri, [remitters N.S. And S.S.] in the amount of \$51,000 payable to Gwen Baker, deposited to the account of James R. Nichols or Gwendolyn Baker at First State Bank & Trust, Lakewood, CA

Seven	04/10/2000	Cashiers Check no. 187166 dated 03/31/2000 issued by Country Club Bank, Kansas City, Missouri, [remitters N.S. and S.S] in the amount of \$42,500 payable to Gwen Baker, deposited to the account of James R. Nichols or Gwendolyn Baker at First State Bank & Trust, Lakewood, CA
Eight	05/31/2000	Wire transfer from Country Club Bank, Kansas City, Missouri [by N.S. and S.S.] in the amount of \$120,000 deposited to account of James R. Nichols or Gwendolyn Baker, at First State Bank & Trust, Lakewood, CA
Nine	01/18/2000	Two Cashiers Checks no. 2740 issued by Charter Bank, Bellevue, Washington [remitter B.W] dated 01/07/2000 in the amount of \$40,000 payable to Corinne Conway in Higginsville, Missouri, and no. 40-762849 issued by Washington State Employees Credit Union, [remitter M.J.] dated 01/07/2000 in the amount of \$25,000, payable to Gwen Baker; transmitted from the State of Washington to Corinne Conway in the Western District of Missouri and then deposited into the account of Gwendolyn Baker at First Tennessee Bank, Memphis, Tennessee
Ten	05/05/2000	Cashiers Check no. 40-768315 issued by Washington State Employees Credit Union, [remitter M.J.] dated 05/02/2000, payable to Gwen Baker in the amount of \$30,000; transmitted from the State of Washington to Corinne Conway in the Western District of Missouri and then deposited into the account of James R. Nichols or Gwendolyn Baker at First State Bank & Trust, Lakewood, CA
Eleven	02/01/2000	Cashiers checks totaling \$32,000 issued by Team Bank, Spring Hill, Kansas [remitter R.L] dated 01/21/2000 in amounts of \$1000, \$3000 or \$4000 payable to Gwen Baker; transmitted to Corinne Conway in the Western District of Missouri and then deposited to the account of Gwendolyn Baker at First Tennessee Bank, Memphis, Tennessee

Twelve	05/05/2000	Cashiers checks totaling \$50,000 issued by Citizens State Bank, Paola, Kansas [remitter R.L.] dated 04/28/2000 in amounts of \$1000, \$4000, \$5000, \$9000, or \$20,000, transmitted to Corinne Conway in the Western District of Missouri and then deposited to the account of James R. Nichols or Gwendolyn Baker, at First State Bank & Trust, Lakewood, CA
Thirteen	05/26/2000	Official check no. 760864239 issued by Mercantile Bank, Kansas City, Missouri [remitter T.C.] payable to Gwen Baker in the amount of \$12,000 deposited to the account of James R. Nichols or Gwendolyn Baker, at First State Bank & Trust, Lakewood, CA
Fourteen	05/31/2001	Cashiers checks nos. 12894 and 12895, totaling \$5,000 issued by North American Savings Bank, Kansas City, Missouri [remitters O.I and R.I.], dated 05/30/2001 payable to Auto Emporium each in the amount of \$2500, deposited to the account of Auto Emporium, at First Tennessee Bank, Memphis, Tennessee

Each count in violation of Title 18, United States Code, Sections 2314 and 2.

COUNT FIFTEEN

1. The Grand Jury realleges and incorporates by reference the allegations in paragraphs one through fifteen of Count One of this Indictment.

2. Defendants JAMES R. NICHOLS, ROBERT GOMEZ, and GWENDOLYN BAKER obtained proceeds from the conspiracy and scheme to defraud, as alleged in Counts One through Fourteen of this Indictment relating to approximately \$19,450,000 in funds received from purchasers who believed they were purchasing automobiles and other motor vehicles from the John Bowers estate,

and conducted numerous financial transactions using various bank accounts in Tennessee and California to transfer the funds in whole or in part to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of the specified unlawful activity, including but not limited to the financial transactions alleged in Counts Sixteen through Twenty-One of this Indictment.

3. Between on or about October 1, 1998, and the date of return of this Indictment, at Kansas City and elsewhere in the Western District of Missouri, and elsewhere, Defendants JAMES R. NICHOLS, ROBERT GOMEZ, and GWENDOLYN BAKER, and other persons known and unknown to the Grand Jury, did knowingly and willfully combine, conspire, confederate and agree to conduct and attempt to conduct financial transactions affecting interstate commerce, which transactions involved the proceeds of a specified unlawful activity, that is, interstate transportation of property over \$5,000 taken by fraud, in violation of 18 U.S.C. § 2314, including such specified unlawful activity occurring in the Western District of Missouri, Defendants NICHOLS, GOMEZ, and BAKER knowing that the transactions were designed in whole or in part to conceal and disguise the nature, the location, the source, the ownership and control of the proceeds of the specified unlawful activity, and that, while conducting and attempting to conduct such financial transactions, Defendants NICHOLS, GOMEZ, and BAKER further knew the property involved represented the proceeds of some form of unlawful activity;

All in violation of Title 18, United States Code, Section 1956(h).

COUNT SIXTEEN

1. The Grand Jury realleges and incorporates by reference the allegations in paragraphs one through fifteen of Count One of this Indictment.

2. On March 6, 2000, J.S. purchased cashiers check no. 754359 from UMB Bank, Kansas City, Missouri, in the amount of \$19,000 payable to Gwen Baker for the purchase of one car and six (6) freightliner trucks from the estate of John Bowers and forwarded the cashiers check to Defendant Corinne Conway, who is not named as a defendant in this Count of the Indictment, in Higginsville, Missouri.

3. On March 10, 2000, Defendant Conway forwarded the cashiers check, no. 754359, to Defendant GWENDOLYN BAKER, who caused the check to be deposited on March 16, 2000 into the account of James R. Nichols or Gwendolyn Baker at First Bank and Trust, Lakewood, California.

4. On March 16, 2000, Defendant JAMES R. NICHOLS caused check no. 5045 to be drawn on the First Bank and Trust account, payable to Crystal Park Casino in the amount of \$20,000.

5. On March 16, 2000, at approximately 8:42 p.m., Defendant ROBERT GOMEZ used check no. 5045 to purchase \$20,000 in Crystal Park Casino chips at Crystal Park Casino, Compton, California.

6. On March 17, 2000, at approximately 12:39 a.m., Defendant GOMEZ bought back check no. 5045 from Crystal Park

Casino, and at approximately 2:04 p.m., Defendant GOMEZ used check no. 5045 to purchase \$20,000 in Crystal Park Casino chips.

7. On or about March 16, 2000, at Kansas City, in the Western District of Missouri, and elsewhere, Defendants JAMES R. NICHOLS, ROBERT GOMEZ, and GWENDOLYN BAKER conducted and caused to be conducted a financial transaction affecting interstate commerce, as defined in Title 18, United States Code, Section 1956 (c) (4), that is, the drawing of check no. 5045 in the amount of \$20,000 from the account of James R. Nichols or Gwendolyn Baker at First Bank and Trust, Lakewood, California, where the funds represented by check no. 5045 were the proceeds of specified unlawful activity as defined in Title 18, United States Code, Section 2314, that is, interstate transportation of money stolen, converted and taken by fraud, and Defendants NICHOLS, GOMEZ, and BAKER knew that the money involved in the transaction represented the proceeds of some form of unlawful activity, and further knew that the transaction was designed in whole or in part to conceal and disguise the source, ownership, and control of the proceeds of the unlawful activity;

All in violation of Title 18, United States Code, Sections 1956(a) (1) (B) (i) and 2.

COUNT SEVENTEEN

1. The Grand Jury realleges and incorporates by reference the allegations in paragraphs one through fifteen of Count One of this Indictment.

2. On March 31, 2000, S.S. purchased cashiers check no. 187166 from Country Club Bank, Kansas City, Missouri, in the amount of \$42,500 payable to Gwen Baker for the purchase of twelve (12) cars from the estate of John Bowers and forwarded the cashiers check to Defendant Corinne Conway, who is not named as a defendant in this count of the Indictment, in Higginsville, Missouri.

3. On April 5, 2000, Defendant Conway forwarded the cashiers check, no. 187166, to Defendant GWENDOLYN BAKER, who caused the check to be deposited on April 10, 2000 into the account of James R. Nichols or Gwendolyn Baker at First Bank and Trust, Lakewood, California.

4. On April 10, 2000, Defendant JAMES R. NICHOLS caused a counter check from First Bank and Trust, made payable to First Bank and Trust, to withdraw funds from the account into which cashiers check no. 187166 had been deposited, to purchase First Bank and Trust Official Check no. 718651299 in the amount of \$30,000 made payable to HPC [Hollywood Park Casino] and another check for \$1,000 payable to Linda Denise Lester.

5. On April 10, 2000, Defendant ROBERT GOMEZ used Official Check no. 718651299 to purchase \$30,000 in Hollywood Park Casino chips at Hollywood Park Casino, Inglewood, California.

6. On or about April 10, 2000, at Kansas City, in the Western District of Missouri, and elsewhere, Defendants JAMES R. NICHOLS, ROBERT GOMEZ, and GWENDOLYN BAKER conducted and caused

to be conducted a financial transaction affecting interstate commerce, as defined in Title 18, United States Code, Section 1956 (c) (4), that is, the purchase of Official Check no. 718651299 in the amount of \$30,000 using funds from the account of James R. Nichols or Gwendolyn Baker at First Bank and Trust, Lakewood, California, where the funds represented by Official Check no. 718651299 were the proceeds of specified unlawful activity as defined in Title 18, United States Code, Section 2314, that is, interstate transportation of money stolen, converted and taken by fraud, and Defendants NICHOLS, GOMEZ, and BAKER knew that the money involved in the transaction represented the proceeds of some form of unlawful activity, and further knew that the transaction was designed in whole or in part to conceal and disguise the source, ownership, and control of the proceeds of the unlawful activity;

All in violation of Title 18, United States Code, Sections 1956(a) (1) (B) (i) and 2.

COUNT EIGHTEEN

1. The Grand Jury realleges and incorporates by reference the allegations in paragraphs one through fifteen of Count One of this Indictment.

2. On May 17, 2000, T.C. purchased cashiers check no. 760864239 from Mercantile Bank, Kansas City, Missouri, in the amount of \$12,000 payable to Gwen Baker for the purchase of eight (8) cars from the estate of John Bowers and forwarded the cashiers check to Defendant Corinne Conway, who is not named as a

defendant in this Count of the Indictment, in Higginsville, Missouri.

3. On May 18, 2000, Defendant Conway, in Higginsville, Missouri, forwarded the cashiers check no. 760864239, to Defendant GWENDOLYN BAKER, who caused the check to be deposited on May 26, 2000, into the account of James R. Nichols or Gwendolyn Baker at First Bank and Trust, Lakewood, California.

4. On May 26, 2000, Defendant JAMES R. NICHOLS caused a counter check from First Bank and Trust, made payable to First Bank and Trust, to withdraw funds from the account into which cashiers check no. 760864239 had been deposited, to purchase First Bank and Trust Official Check no. 264587766 in the amount of \$50,000 made payable to IC Enterprises [Crystal Park Casino].

5. On May 26, 2000, Defendant ROBERT GOMEZ used check no. 264587766 to purchase \$50,000 in Crystal Park Casino chips at Crystal Park Casino, Compton, California.

6. On or about May 26, 2000, at Kansas City, in the Western District of Missouri, and elsewhere, Defendants JAMES R. NICHOLS, ROBERT GOMEZ, and GWENDOLYN BAKER conducted and caused to be conducted a financial transaction affecting interstate commerce, as defined in Title 18, United States Code, Section 1956 (c) (4), that is, the purchase of Official Check no. 264587766 in the amount of \$50,000 from First Bank and Trust, Lakewood, California, where the funds represented by Official Check no. 264587766 were the proceeds of specified unlawful activity as defined in Title 18, United States Code, Section

2314, that is, interstate transportation of money stolen, converted and taken by fraud, and Defendants NICHOLS, GOMEZ, and BAKER knew that the money involved in the transaction represented the proceeds of some form of unlawful activity, and further knew that the transaction was designed in whole or in part to conceal and disguise the source, ownership, and control of the proceeds of the unlawful activity;

All in violation of Title 18, United States Code, Sections 1956(a) (1) (B) (i) and 2.

COUNT NINETEEN

1. The Grand Jury realleges and incorporates by reference the allegations in paragraphs one through fifteen of Count One of this Indictment.

2. On April 25, 2000, M.J. purchased a cashiers check no. 501-7233358 from U.S. Bank in the amount of \$4,000 and obtained a cashiers check no. 8460129456 issued by Bank of American from T.G. and R.G. in the amount of \$8,500, with both cashiers checks representing the purchase of five (5) freightliners from the estate of John Bowers and forwarded the two cashiers checks to Defendant Corinne Conway, who is not named as a Defendant in this Count of the Indictment, in Higginsville, Missouri.

3. On April 26, 2000, Defendant Conway, in Higginsville, Missouri, endorsed the two cashiers checks and forwarded them to Defendant GWENDOLYN BAKER, in Memphis, Tennessee, who caused the two cashiers checks to be deposited on May 2, 2000, to the

account of James R. Nichols or Gwendolyn Baker at First Bank and Trust, Lakewood, California.

4. On May 3, 2000, Defendant JAMES R. NICHOLS caused a counter check from First Bank and Trust, made payable to First Bank and Trust, to withdraw funds from the account into which the deposit including the two cashiers checks had been deposited, to purchase First Bank and Trust Official Check no. 264587703 in the amount of \$16,988 made payable to the Bicycle Club.

5. On May 3, 2000, Defendant NICHOLS deposited Official Check no. 264587703 into his players account at the Bicycle Club, Bell Gardens, California.

6. On or about May 3, 2000, at Kansas City, in the Western District of Missouri, and elsewhere, Defendants JAMES R. NICHOLS and GWENDOLYN BAKER conducted and caused to be conducted a financial transaction affecting interstate commerce, as defined in Title 18, United States Code, Section 1956 (c)(4), that is, the purchase of Official Check no. 264587703 in the amount of \$16,988 from First Bank and Trust, Lakewood, California, where the funds represented by Official Check no. 264587703 were the proceeds of specified unlawful activity as defined in Title 18, United States Code, Section 2314, that is, interstate transportation of money stolen, converted and taken by fraud, and Defendants NICHOLS and BAKER knew that the money involved in the transaction represented the proceeds of some form of unlawful activity, and further knew that the transaction was designed in

whole or in part to conceal and disguise the source, ownership, and control of the proceeds of the unlawful activity;

All in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

COUNT TWENTY

1. The Grand Jury realleges and incorporates by reference the allegations in paragraphs one through fifteen of Count One of this Indictment.

2. On April 28, 2000, R.L. purchased nine cashiers checks nos. 30758 through 30763, 30765, and 30767 and 30768 (hereafter referred to as "the nine cashiers checks") totalling \$50,000 from Citizens State Bank, Paola, Kansas, representing the purchase of twenty (20) cars from the estate of John Bowers and forwarded the nine cashiers checks to Defendant Corinne Conway, who is not named as a Defendant in this Count of the Indictment, in Higginsville, Missouri.

3. On May 1, 2000, Defendant Conway, in Higginsville, Missouri forwarded the nine cashiers checks to Defendant GWENDOLYN BAKER, in Memphis, Tennessee, who caused the nine cashiers checks to be deposited on May 5, 2000, to the account of James R. Nichols or Gwendolyn Baker at First Bank and Trust, Lakewood, California.

4. On May 8, 2000, Defendant JAMES R. NICHOLS caused a counter check from First Bank and Trust, made payable to First Bank and Trust, to withdraw funds from the account into which the deposit including the nine cashiers checks had been deposited, to

purchase First Bank and Trust Official Check no. 264587720 in the amount of \$40,000 made payable to I.C. Enterprises [Crystal Park Casino].

5. On May 8, 2000, Defendant NICHOLS used the Official Check no. 264587720 to make a payment on his player's account at Crystal Park Casino, Compton, California.

6. On or about May 8, 2000, at Kansas City, in the Western District of Missouri, and elsewhere, Defendants JAMES R. NICHOLS and GWENDOLYN BAKER conducted and caused to be conducted a financial transaction affecting interstate commerce, as defined in Title 18, United States Code, Section 1956 (c) (4), that is, the purchase of Official Check no. 264587720 in the amount of \$40,000 from First Bank and Trust, Lakewood, California, where the funds represented by Official Check no. 264587720 were the proceeds of specified unlawful activity as defined in Title 18, United States Code, Section 2314, that is, interstate transportation of money stolen, converted and taken by fraud, and Defendants NICHOLS and BAKER knew that the money involved in the transaction represented the proceeds of some form of unlawful activity, and further knew that the transaction was designed in whole or in part to conceal and disguise the source, ownership, and control of the proceeds of the unlawful activity;

All in violation of Title 18, United States Code, Sections 1956(a) (1) (B) (i) and 2.

COUNT TWENTY-ONE

1. The Grand Jury realleges and incorporates by reference the allegations in paragraphs one through fifteen of Count One of this Indictment.

2. On May 30, 2001, O.I. purchased cashiers check nos. 12894 and 12895 from North American Savings, Kansas City, Missouri, each in the amount of \$2,500 payable to Auto Emporium for the purchase of two model year 2000 Cadillac cars from the estate of John Bowers and forwarded the cashiers checks to Defendant GWENDOLYN BAKER.

3. On May 31, 2001, Defendant BAKER caused cashiers check nos. 12894 and 12895 to be deposited into an account of Auto Emporium controlled by Defendant BAKER at First Tennessee Bank, Memphis, Tennessee.

4. On June 1, 2001, Defendant BAKER wire transferred \$55,000 from the account at First Tennessee Bank into which cashiers check nos. 12894 and 12895 had been deposited to the account of James R. Nichols or Gwendolyn Baker at First Bank and Trust, Lakewood, California.

5. On June 1, 2001, Defendant JAMES R. NICHOLS caused a counter check from First Bank and Trust, made payable to First Bank and Trust, to withdraw funds from the account into which the \$55,000 wire transfer had been deposited, to purchase First Bank and Trust Official Check no. 854058102 in the amount of \$53,350 made payable to IC Enterprises [Crystal Park Casino] and withdrew \$1,650 in cash.

6. On June 1, 2001, Defendant ROBERT GOMEZ used check no. 854058102 to purchase \$53,350 in Crystal Park Casino chips at Crystal Park Casino, Compton, California.

7. On or about June 1, 2001, at Kansas City, in the Western District of Missouri, and elsewhere, Defendants JAMES R. NICHOLS, ROBERT GOMEZ, and GWENDOLYN BAKER conducted and caused to be conducted a financial transaction affecting interstate commerce, as defined in Title 18, United States Code, Section 1956 (c) (4), that is, the purchase of Official Check no. 854058102 in the amount of \$53,350 from First Bank and Trust, Lakewood, California, where the funds represented by Official Check no. 854058102 were the proceeds of specified unlawful activity as defined in Title 18, United States Code, Section 2314, that is, interstate transportation of money stolen, converted and taken by fraud, and Defendants NICHOLS, GOMEZ, and BAKER knew that the money involved in the transaction represented the proceeds of some form of unlawful activity, and further knew that the transaction was designed in whole or in part to conceal and disguise the source, ownership, and control of the proceeds of the unlawful activity;

All in violation of Title 18, United States Code, Sections 1956(a) (1) (B) (i) and 2.

COUNT TWENTY-TWO

1. The Grand Jury realleges and incorporates by reference the allegations in Count One of this Indictment for the purpose of alleging forfeiture to the United States pursuant to Title 18,

United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

2. As a result of the offenses alleged in Count One, the defendants JAMES R. NICHOLS, ROBERT GOMEZ, GWENDOLYN BAKER, and CORINNE CONWAY shall forfeit to the United States all property, real and personal, constituting, or derived from proceeds traceable to the afore stated offenses, including but not limited to the following property:

Money Judgment and Other Property Traceable to the Offense

a. Approximately \$12,360,000 in United States currency and all interest and proceeds traceable thereto, representing the net proceeds obtained by Defendants NICHOLS, GOMEZ, BAKER, and CONWAY in that such sum in aggregate, constitutes or is derived from, proceeds traceable to the aforestated offense in Count One.

b. 2000 Ford Mustang, VIN 1FAFP45X3YF117752, purchased by Defendant NICHOLS on September 29, 1999, for approximately \$29,045 in proceeds traceable to the aforestated offense in Count One.

c. 2001 Ducati M-996 motorcycle, VIN ZDM1SB5T61B013200, purchased by Defendant NICHOLS on August 19, 2001, for \$17,608.60 in proceeds traceable to the aforestated offense in Count One.

d. 1995 BMW M3, VIN WBSBF9328SEH05462, purchased by Defendant NICHOLS on June 21, 2000, for \$21,000 in proceeds traceable to the aforestated offense in Count One.

e. 1998 BMW M3, VIN WBSBG9328WEY79029, purchased by Defendant NICHOLS on June 11, 2001, for \$38,350 in proceeds traceable to the aforestated offense in Count One.

f. 2001 BMW M3, VIN WBSBL93421JR11339, purchased by Defendant NICHOLS on July 12, 2001, for \$63,500 in proceeds traceable to the aforestated offense in Count One.

g. 1996 Chrysler sedan, VIN 2C3HC56F5TH136292, purchased by Defendant NICHOLS on June 6, 2000, for \$16,172.76 in proceeds traceable to the aforestated offense in Count One.

h. Approximately \$6,800,000 in gambling chips purchased or deposits or payments into players accounts by Defendants GOMEZ and NICHOLS at the following gambling clubs, casinos, and companies: IC Enterprises, d/b/a Crystal Park Hotel and Casino, Compton, California; Bicycle Club Casino, Bell Gardens, California; HPC d/b/a Hollywood Park Casino, Inglewood, California; S & S Gaming, d/b/a Club Caribe Casino, Cudahy, California; and Hustler Casino, Gardena, California, the foregoing amount being proceeds traceable to the aforestated offense in Count One.

i. Approximately \$818,120 in gambling chips from Hustler Casino seized from Defendant ROBERT GOMEZ on June 10, 2002.

j. 1996 BMW M-3 automobile, VIN WBSBG932XTEY72238, purchased by Defendant JAMES R. NICHOLS on June 12, 2002 for approximately \$34,210, titled in the name of another individual

believed to be Defendant NICHOLS' girlfriend, in part using proceeds traceable to the aforesated offense in Count One.

k. 1999 BMW 323i automobile, VIN WBAAM3331XCA84340 purchased by Defendant JAMES R. NICHOLS on July 30, 2001 for approximately \$29,216.47, titled in the name of another individual believed to be Defendant NICHOLS' girlfriend, in part using proceeds traceable to the aforesated offense in Count One.

Substitute Assets

If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value;
or
- (5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States pursuant to 21 U.S.C. § 853(p) to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property (that is, approximately \$12,370,000).

COUNT TWENTY-THREE

1. The Grand Jury realleges and incorporates by reference the allegations in Counts Fifteen through Twenty-One of this Indictment, conspiracy to commit money laundering and money laundering, for the purpose of alleging forfeiture to the United States pursuant to Title 18, United States Code, Section

982(a)(1).

2. Defendants JAMES R. NICHOLS, ROBERT GOMEZ, and GWENDOLYN BAKER received and caused to be received a net of approximately \$12,370,000 in funds from purchasers who believed they were buying automobiles and other motor vehicles from the estate of John Bowers and conducted various financial transactions in whole or in part to conceal and disguise the source, ownership, and control of the proceeds from these purchasers.

3. As a result of the offenses alleged in Counts Fifteen through Twenty-One, the defendants JAMES R. NICHOLS, ROBERT GOMEZ, and GWENDOLYN BAKER shall forfeit to the United States all property, real and personal, involved in such offenses, and all property traceable to such property, including but not limited to the following:

a. The following bank accounts involved in the aforestated offenses:

(1) Account of Defendant JAMES R. NICHOLS, no. 4230001781, at First Bank and Trust, Lakewood, California.

(2) Account of Defendant JAMES R. NICHOLS, no. 2423103702, at First Bank and Trust, Lakewood, California.

(3) Account of Defendant JAMES R. NICHOLS and Defendant GWENDOLYN BAKER, no. 2423103663, at First Bank and Trust, Lakewood, California.

(4) Account of Defendant JAMES R. NICHOLS and Defendant GWENDOLYN BAKER, no. 2423104316, at First Bank and Trust, Lakewood, California.

(5) Account of Defendant GWENDOLYN BAKER and Angela Arnold, no. 100429560, at First Tennessee Bank, NA, Memphis, Tennessee.

(6) Account of Auto Emporium, no. 100199191, Defendant GWENDOLYN BAKER and Angela Arnold, signatories, at First Tennessee Bank, Memphis, Tennessee.

(7) Account of Auto Emporium, Expense Account, no. 100362556, Defendant GWENDOLYN BAKER and Angela Arnold, signatories, at First Tennessee Bank, Memphis, Tennessee.

(8) Account of an individual "finder" in Winston, Georgia at West Georgia National Bank, Carrollton, Georgia, account number 890103, which was set up to receive and hold funds from various purchasers of automobiles and other motor vehicles.

b. The following players accounts and contents of safe deposit boxes at the Bicycle Club, Bell Gardens, California, involved in the aforestated offenses:

(1) Players Account of Defendant JAMES R. NICHOLS, no. 24839, at the Bicycle Club.

(2) Players Account of Defendant ROBERT GOMEZ, no. 23169, at the Bicycle Club.

(3) Players Account of Defendant ROBERT GOMEZ and another individual, no 25739, at the Bicycle Club.

(4) Safe deposit box of Defendant ROBERT GOMEZ, no. 331, at the Bicycle Club, used to store gambling chips and currency.

(5) Safe deposit box of Defendant ROBERT GOMEZ, no. 301, at

the Bicycle Club, used to store gambling chips and currency.

c. The following additional safe deposit boxes used to store gambling chips and currency at the gambling casinos indicated, involved in the aforesated offenses:

(1) Safe deposit box of Defendant ROBERT GOMEZ, Box No. 191, located at Hollywood Park Casino, Inglewood, California.

(2) Safe deposit box of Defendant ROBERT GOMEZ, Box No. 206, located at Hollywood Park Casino, Inglewood, California 90303.

(3) Safe deposit box of Defendant ROBERT GOMEZ, Box No. 405, located at Hustler Casino, Gardena, California 90247.

c. Approximately \$6,800,000 in purchases of gambling chips and deposits to players accounts by Defendants GOMEZ and NICHOLS at the following gambling casinos: Crystal Park, Bicycle Club, IC Enterprises, Hollywood Park Casino, S & S Gaming, and Hustler.

d. 2000 Ford Mustang, VIN 1FAFP45X3YF117752, purchased by Defendant NICHOLS on September 29, 1999, for approximately \$29,045.

e. 2001 Ducati M-996 motorcycle, VIN ZDM1SB5T61B013200, purchased by Defendant NICHOLS on August 19, 2001, for \$17,608.60.

f. 1995 BMW M3, VIN WBSBF9328SEH05462, purchased by Defendant NICHOLS on June 21, 2000, for \$21,000.

g. 1998 BMW M3, VIN WBSBG9328WEY79029, purchased by Defendant NICHOLS on June 11, 2001, for \$38,350.

h. 2001 BMW M3, VIN WBSBL93421JR11339, purchased by Defendant NICHOLS on July 12, 2001, for \$63,500.

i. 1996 Chrysler sedan, VIN 2C3HC56F5TH136292, purchased by Defendant NICHOLS on June 6, 2000, for \$16,172.76.

j. Approximately \$818,120 in gambling chips from Hustler Casino seized from Defendant ROBERT GOMEZ on June 10, 2002.

k. 1996 BMW M-3 automobile, VIN WBSBG932XTEY72238, purchased by Defendant JAMES R. NICHOLS on June 12, 2002 for approximately \$34,210, titled in the name of another individual believed to be Defendant NICHOLS' girlfriend, in part using proceeds traceable to the aforestated offenses.

l. 1999 BMW 323i automobile, VIN WBAAM3331XCA84340 purchased by Defendant JAMES R. NICHOLS on July 30, 2001 for approximately \$29,216.47, titled in the name of another individual believed to be Defendant NICHOLS' girlfriend, in part using proceeds traceable to the aforestated offenses.

Substitute Assets

If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the Court;

- (4) has been substantially diminished in value;
or
- (5) has been commingled with other property which
cannot be subdivided without difficulty;

it is the intent of the United States pursuant to 21 U.S.C. § 853 (incorporated by 18 U.S.C. § 982(B)(1)) to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property (that is, approximately \$11,700,000).

All in violation of Title 18, United States Code, Sections 2314, 1956(a)(1)(B)(i), 1956(h), and 982.

A TRUE BILL.

FOREPERSON OF THE GRAND JURY

J. Daniel Stewart #32314
Assistant United States Attorney

James Curt Bohling
Assistant United States Attorney

DATE: _____